

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First California Financial Group, Inc.

Point of Contact:	Romolo Santarosa, COO & CFO	RSSD: (For Bank Holding Companies)	1031681
UST Sequence Number:	204	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	25,000,000	FDIC Certificate Number: (For Depository Institutions)	22819
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 19, 2008	City:	Westlake Village
Date Repaid ¹ :	N/A	State:	California

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

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☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Consumer loans (home mtg., home equity lns and lines, etc.) increased approx 57% or \$51 million from y/e 2009 to y/e 2010; Commercial loans (coml mtg, C&I lns, SBA, etc.) increased approx 5% or \$38 million from y/e 2009 to y/e 2010. Combined, these categories increased 10% or \$89 million.

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☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

☐ Increase reserves for non-performing assets.

☐ Reduce borrowings.

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☐ Increase charge-offs.

☐ Purchase another financial institution or purchase assets from another financial institution.

☐ Held as non-leveraged increase to total capital.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

We believe the capital infusion of CPP funds in December 2008 enabled the Bank to protect its image as one of the safest and strongest community banks in the Southern California region. We believe the added capital strength provided a sense of security and safety to our depositors in the difficult 2009 economy and allowed us to gain new depositors from struggling competitors. This allowed our core deposit base to grow well beyond the early 2009 1st Centennial Bank transaction.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

We believe that the safety and strength exhibited during 2009, which was aided by the CPP capital, allowed us to complete a successful \$41 million common stock offering in March 2010. This added capital enabled us to increase our loans and deposits, add lending teams and continue to make acquisitions.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.